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SENSITIVE SIPDIS

TRANSCOM FOR POLAD

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TAGS: <u>PGOV PREL MARR AF TU AM AJ</u>
SUBJECT: AZERBAIJAN: SCENESESTTER FOR GEN MCNABB'S BAKU VISIT

Summary

(SBU) Your visit to Baku comes as President Aliyev has consolidated his domestic political position through a national referendum eliminating the two-term limit that would have forced him to leave office in 2013, while facing immense economic and foreign policy challenges. The country has maintained macroeconomic and social stability in the face of the global financial crisis, but has taken insufficient steps to reform its economy and root out corruption in order to be sustainable over the longer haul. The news that Azerbaijan's longtime ally Turkey is considering an agreement with Armenia longtime ally Turkey is considering an agreement with Armenia to reopen borders, closed since 1993, forced Baku into a diplomatic scramble to ensure the protection of its equities on issues ranging from the ongoing conflict over Nagorno-Karabakh (NK) to the future of westward transit of Caspian hydrocarbons. However, through all of this the GOAJ's determination to contribute - and be seen to contribute - to the international effort in Afghanistan remains unchanged. Also unchanged is our three-pronged (security, energy and political/economic reform) approach to the bilateral relationship. End Summary.

Security Cooperation

- 12. (SBU) Your visit is an opportunity to solidify further Azerbaijan's cooperation as an essential leg of a surface transport corridor linking Europe and the CENTCOM operational theaters. Baku has been a willing military participant in OEF and OIF and already allows virtually unlimited transit of our and off and afready allows virtually unlimited transit its airspace and flexible refueling arrangements in support of operations. In addition to the ongoing dialogue on the port of Baku, your visit is an opportunity to gauge Azerbaijan's level of willingness to allow wider access to Azerbaijan's level of willingness to allow wider access to Heydar Aliyev airport as the U.S. interagency continues to refine options. Your visit will also be seen by the GOAJ through the prism of the Turkey-Armenia process. Azerbaijan is keen to reassure itself that its interests and views are not being ignored, and your pursuit of Azerbaijan's cooperation will be taken as a reassuring signal that the partnership developed over the past several years has real value to the United States and will continue.
- $oldsymbol{13.}$ (SBU) At the time of your last visit to Baku in mid-November 2008, Azerbaijan was withdrawing at the mid-November 2008, Azerbaijan was withdrawing - at the request of the Iraqi government, which was then asking most of the smaller Coalition contingents to leave - its 150-man contingent, that had been partnered with U.S. Marines guarding the Haditha dam. Since then Azerbaijan has followed through on its commitment to double from 45 to 90 the size of its military contribution to Afghanistan, and is awaiting the Afghan government's response to its proposal of increasing of increasing of the state investment and civilian contributions such as construction of schools and training Afghan diplomats as police at its
- 14. (SBU) Azerbaijan's strategic direction is deeply affected by its physical security environment. Sandwiched between Russia and Iran, and with the unresolved Nagorno-Karabakh conflict tying down 70percent of its ground forces along the Line of Cntact, Azerbaijan recognizes the need for strongallies. The country has also increased its defense spending tenfold in five years and now spends nearly 2 billion dollars annually on defense. Your GOAJ interlocutors will be unequivocal about Azerbaijan's orientation westward for its security needs, but they will just as forcefully argue that they need and deserve American weapons systems to build adequate defenses. Azerbaijanis complain bitterly about the restrictions of section 907 of the Freedom Support Act, even when the waiver provision is invoked, because of the "parity" policy on assistance to Armenia and Azerbaijan observed by Congressional appropriators. Congressional appropriators.

_15. (SBU) GOAJ officials from the President down are unanimous that Nagorno-Karabakh is "issue number one" for the President's second term. Beyond the obvious territorial and

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Azerbaijani law sets for the adoption of referendum measures, the Government would have succeeded in any event. The main opposition parties boycotted the October election and the referendum.

- 110. (SBU) Many observers believed that once he was secure in another five year term, President Ilham Aliyev would make conciliatory gestures to the opposition and tack back on to a moderate course on democratization. This has not yet happened to a large extent, but there are some minor and encouraging indicators. One prominent imprisoned journalist benefited from an amnesty and was released, and the President recently intervened to overturn the convictions of two other journalists who had been sentenced to prison and hard labor under a criminal libel statute. We are also informed that the GOAJ is coordinating the drafting of implementing legislation for the constitutional changes approved by the referendum with the Venice Commission of the Council of Europe. However, the media environment is still far from free and the Council of Europe has appointed a Special Rapporteur on Political Prisoners, a German parliamentarian who is expected to visit the country in June.
- 111. (SBU) Should your Azerbaijani interlocutors raise any of these issues, you are certain to hear complaints that Azerbaijan is treated unfairly by the United States and Europe on human rights and democracy compared to Armenia. A consistent message that the United States has no double standards on human rights and that security and stability are enhanced by, and indeed depend on, the development of democracy and respect for human rights will reinforce the unwavering message that the United States delivers to Azerbaijan on the key reform issues.

Comment

115. Your visit provides an opportunity to engage with key GOAJ decision makers and demonstrate the strategic importance of the United States' relations with Azerbaijan at a moment of important regional change. Your pursuit of a tangible objective with long-term implications will be taken as a positive sign as Azerbaijan attempts to read the tea leaves to assure itself of the United States' intentions in light of the Turkey-Armenia process. End comment.

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